Innovation and Cost Containment Work Plan Outline

Committee Goals

Sustainable and Predictable Funding Model

Productivity and Resource Optimization

Innovative and Integrated Service Delivery Model
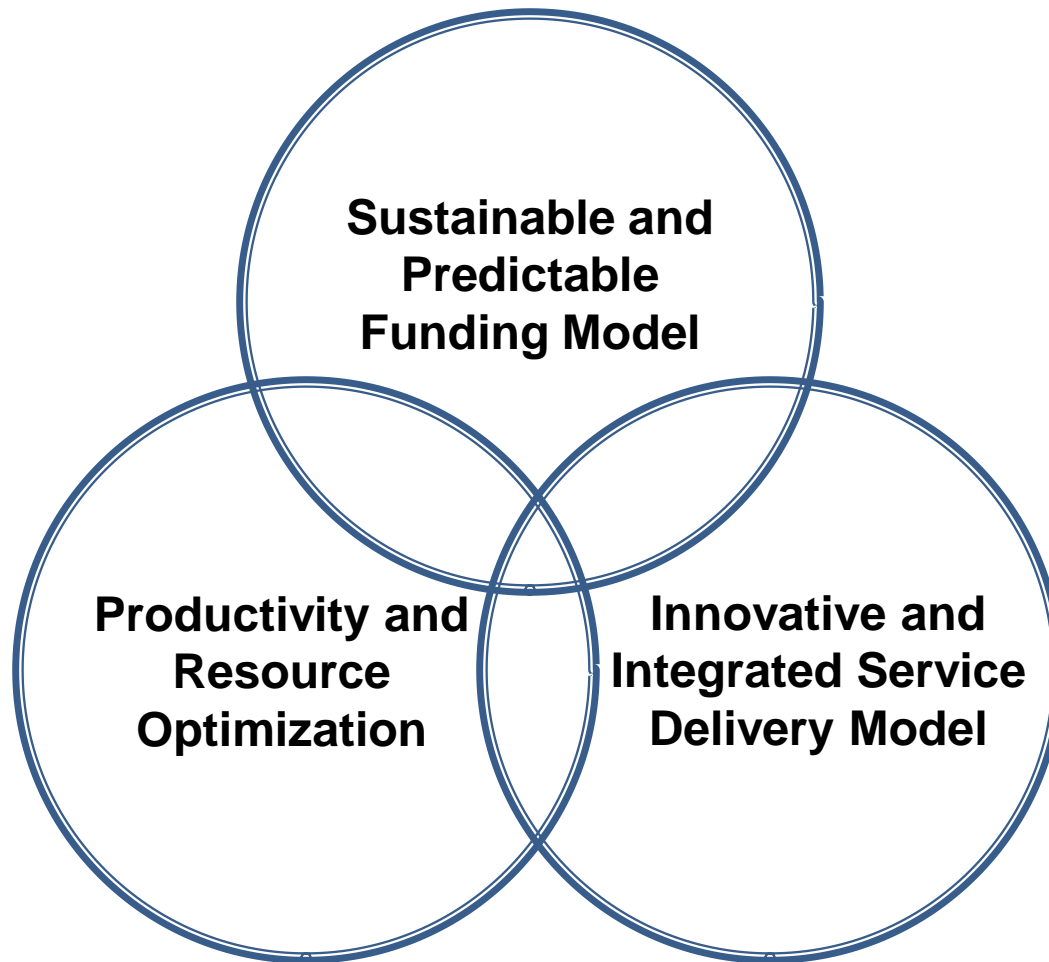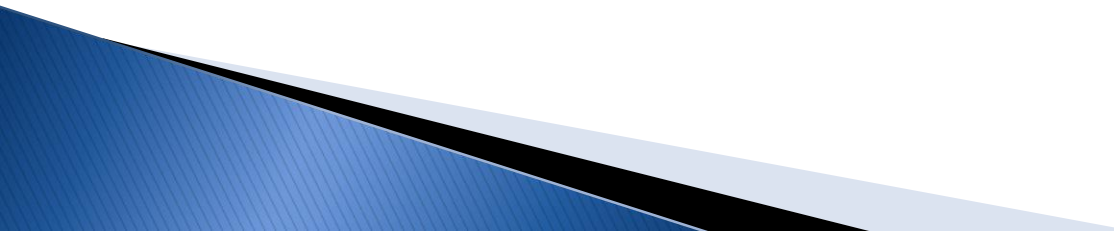
Innovative and Integrated Service Delivery Model

Objective: Develop an innovative and integrated service delivery model to deliver higher education services at a lower cost, improve the quality and value of the product, and make higher education more affordable for Virginia students and families

Innovative and Integrated Service Delivery Model: Issues

- Curricular alignment between PK-12, community colleges, and four-year institutions
  - Dual enrollment programs for college credits
  - Access to college credits through online learning
  - PK-12 student readiness assessments and programs to reduce the need for remedial programs at the college and university level; system-wide approach to developmental education
  - PK-12 STEM preparation and early advising
- Integrated system-wide curriculum model to enhance course access (in classroom and online learning) across the system and reduce system-wide redundancies where there is low enrollment at a single institution
- Strengthen Virginia Transfer Grant Program (incentives for students and institutions)
- Fast track degree programs (incentives)
  - 3 year degrees
  - Combined undergrad/grad degrees

Innovative and Integrated Service Delivery Model: Issues

➢ Targeted completion programs for adults who have attended college but have not received a degree or certificate

➢ Stronger degree and high value certificate production in the Virginia Community College System, including accelerated certificate programs for returning adults

➢ Credits for "experiential learning"

➢ Academic "Centers of Excellence" (e.g., Virginia Tech Math Emporium – leverage individual institution strengths across the system to increase access to courses at a much lower cost

➢ Electronic course materials and textbooks

➢ Year-round use of facilities and staff (nine month rotation)

➢ Collaboration with Virginia's private colleges and universities

➢ Private sector role(s) in an integrated service delivery model

Innovative and Integrated Service Delivery Model: Key Resources and Analysis

- Virginia Tech Math Emporium (NCAT best practices)
- Virginia Transfer Grant Program (with emphasis on STEM programs)
- Early College High School Initiative
- University of Maryland experiential learning initiative
- American Public University experiential learning initiative
- PK-12, community college, four-year institution, private sector integrated models in other states or countries
- Online learning models
  - University of Phoenix
  - Strayer University
  - Apollo
  - Blackboard
  - Cisco

Innovative and Integrated Service Delivery Model: Key Resources and Analysis

- Textbooks
  - Apple (iPad)
  - Amazon (Kindle)
- Others?

Productivity and Resource Optimization

Objective: Improve academic productivity, fully optimize resources, reduce higher education costs, and make higher education more affordable for Virginia students and families

Productivity and Resource Optimization: Issues

Higher Education Restructuring Act of 2005

➢ Have the provisions in this Act and the implementation thereof achieved tangible progress toward its stated goals?

- Higher productivity
- Better academic performance
- Lower costs
- Greater access to programs, courses, and degrees
- Financial aid
- Others

➢ Are there specific changes that should be made to this Act?

Productivity and Resource Optimization: Issues

Productivity and Performance

- Current productivity and related metrics
  - Comparison to other states/countries/commercial enterprises
  - Suggested changes
- Current productivity related incentives
  - Meaningful enough to change/drive behavior
  - Suggested changes
- Stronger college/university student advisory programs and assistance to lower drop out rates and increase graduation rates
- Workforce feedback on the performance of those students who matriculate through Virginia's education system
- Student unit record tracking system linking PK-12, postsecondary education, and workforce to assess overall student performance for those students who matriculate through Virginia's education system

Productivity and Resource Optimization: Issues (Resource Optimization)
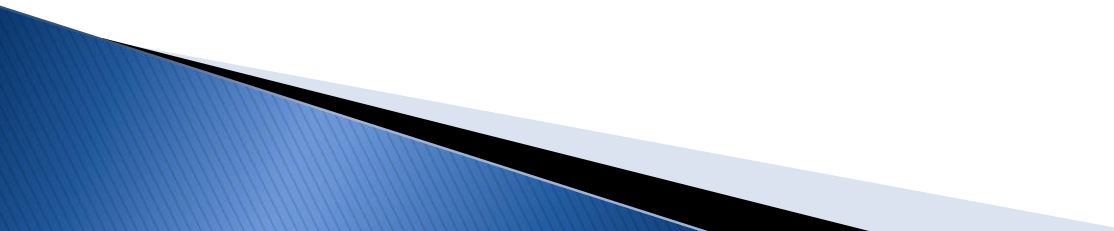
Resource Optimization

- Current efficiency/resource optimization metrics
  - Comparison to other states/countries/commercial enterprises
  - Suggested changes
  - Incentives
- Areas where the individual institutions should be given greater autonomy in order to operate more efficiently and effectively
- Areas where the individual institutions should collaborate more in order to take advantage of greater economies of scale and better leverage the strengths of the respective institutions
- System-wide shared services model to reduce operating costs and improve efficiency
- Academic "Centers of Excellence" (e.g., Virginia Tech Math Emporium) and expansion to other instructional courses to leverage individual institution strengths across, increase access to courses, and reduce costs

Productivity and Resource Optimization: Issues (Resource Optimization)
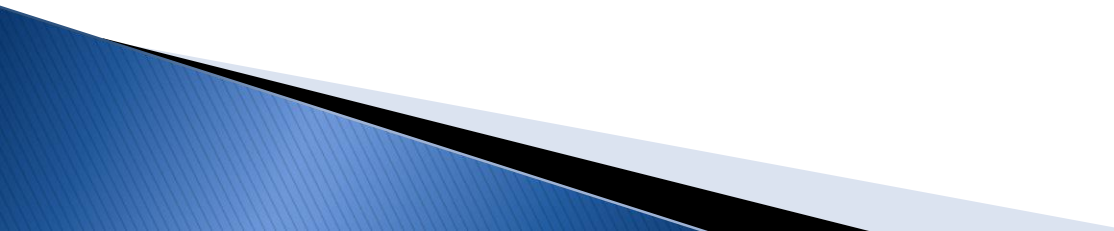
Resource Optimization
- Factors to be considered in conducting cost-benefit analyses to identify, evaluate, and potentially phase out courses, programs, and degrees
  - Minimum number of students/graduates
  - Availability at other institutions through online learning
  - Ability to attract students from other Virginia (public and private) and non-Virginia institutions through online learning
  - Workforce and marketplace needs
- Year-round use of facilities and staff (nine month rotation)

Productivity and Resource Optimization: Key Resources

- Analysis of the Higher Education Restructuring Act of 2005
- Current productivity and resource optimization and performance measures
  - Best practices at Virginia institutions
  - Best practices in other states/countries
  - Commercial best practices
- Current work being done by Virginia's college and university presidents around productivity measures and resource optimization
- Virginia Tech Math Emporium
- Others?

Sustainable Funding Model

Objective: Develop a sustainable and predictable funding model to meet the degree attainment goals set forth by Governor McDonnell and make higher education more affordable for Virginia students and families
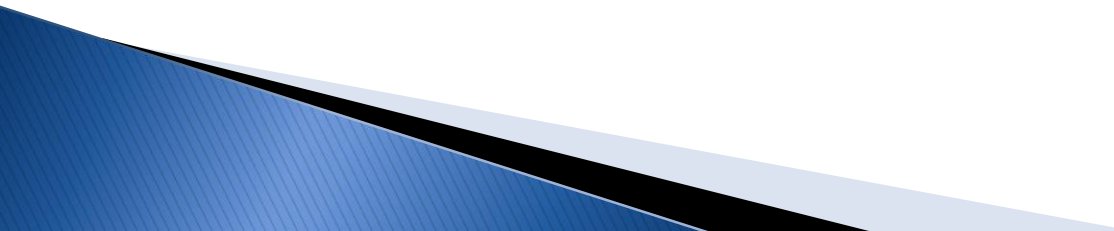
Sustainable Funding Model: Issues

- Codify state funding requirement and corresponding formula/funding model for higher education
  - Dedicate a percentage (floor) of general fund revenue to higher education
  - Dedicate an existing funding source (or partial) to higher education
  - Establish a general fund/tuition revenue target ratio
  - Establish a higher education stabilization/rainy day fund
- Larger performance–based pool of dollars to reward those institutions that meet certain academic, productivity, cost, and economic development metrics
- Link state appropriations, tuition, and financial aid
- Expand financial aid into the middle–income ranks
- Maximize federal dollars available for higher education
- Maximize federal and corporate research dollars available for higher education
- Maximize private sector dollars available for higher education (e.g., IP royalties from the commercialization of research and new discoveries)

Sustainable Funding Model: Key Resources

- Current Base Budget Adequacy model and funding model proposals offered by members of the General Assembly
- Funding models in other states:
  - Base Plus – prior year's funding is a starting point with COLA and enrollment adjustments; incremental funding decisions
  - Formulas – based on a variety of factors: enrollments, facilities, tuition and fees
  - Performance-based – a proportion (usually 5-20%) of funds linked to desirable outcomes: students graduated, amount of time to graduate, underrepresented students served, etc.
  - Vouchers (Colorado) – state money directed to students, rather than institutions, to be used to pay for in-state higher education
- Funding models in other countries (outside the U.S., higher education is generally funded federally/nationally)
- Analysis of available federal dollars
- Analysis of federal and corporate research funding opportunities
- Analysis of private sector funding opportunities

Next Steps

- Finalize work plan to include Committee feedback
- Consider forming smaller work groups to focus on key issues
- Coordinate activities with Commission Chairman Farrell and the other two Committee Chairs
- Finalize meeting schedule for the remainder of 2010
- Plan meeting agenda for the August 23rd

Schedule of Upcoming Meetings

- August 23
  - Location: Northern Virginia
  - Focus: Innovative and Integrated Service Delivery Model
- September 17
  - Location: Richmond
  - Focus: Sustainable and Predictable Funding Model (?)
- October 12
  - Location: Richmond
  - Focus: Full Commission Meeting
- Late October/Early November (actual date TBD)
  - Location: TBD
  - Focus: Finalize Committee Recommendations for Commission Interim Report
- November 30 – Commission Interim Report Due
- December (actual date TBD)
  - Location: TBD
  - Focus: Full Commission Meeting